

The Irish Blood Transfusion Service Superannuation Fund

Trustee Annual Report for the year ended 31 December 2021

Prepared for The Trustees of Irish Blood Transfusion Service
Superannuation Fund

Prepared by Aon

Pension Authority PB 7152
Number

Aon Solutions Ireland Limited trading as Aon is regulated by the Central Bank of Ireland.
Registered in Ireland No. 356441
Registered office: Block D | Iveagh Court | Harcourt Road | Dublin 2 | Ireland.
Directors: David Hardern (British), Rachael Ingle, Ken Murphy, Paul Schultz (US), Patrick Wall.
aon.com

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Trustees, Fund Advisors and Other Information

Principal Employer	The Irish Blood Transfusion Service (under the auspices of the Department of Health)
Trustees	Deirdre-Ann Barr Idelle Hawkins Jim Shanahan John Crowley (resigned with effect from 6 May 2022) Noel Murphy Paul Kelly Brigid Browne (appointed with effect from 6 May 2022)
Registered Administrator	Aon Solutions Ireland Limited T/A Aon, Block D, Iveagh Court, Harcourt Street, Dublin 2. (appointed with effect 1 September 2021)
Investment Managers of Pension Fund	Amundi Asset Management, 1 George's Quay Plaza, George's Quay, Dublin 2. Ashmore Group Pie, 61 Aldwych, London. Fidelity International, FIL Investment Management (Luxembourg) S.A., 2a rue Albert Borschette, BP 2174, L-1021 Luxembourg. Irish Life Investment Managers Ltd., Beresford Court, Beresford Place, Dublin 1. Janus Henderson Investors, 201 Bishopsgate, London EC2M 3AE. Newton Investment Management Ltd., Mellon Financial Centre, 160 Queen Victoria Street, London, EC4V 4LA. Northern Trust International Fund Administration Services (Ireland) Ltd., Georges Court, 54 - 62 Townsend Street, Dublin 2. Payden Global Funds Plc, 2nd floor, Beaux Lane House, Mercer Street Lower, Dublin 2.
AVC Investment Manager	Irish Life Investment Managers Ltd., Beresford Court, Beresford Place, Dublin 1.
Insurer	Irish Life Assurance Plc, Irish Life Centre, Lower Abbey Street, Dublin 1.
Investment Consultant	Acuvest Limited, 67 Merrion Square South, Dublin 2.

Trustees, Fund Advisors and Other Information

Actuary	Mary Cahill, FSAI, Aon, Block D, Iveagh Court, Harcourt Road, Dublin 2.
Independent Auditor	Mazars, Chartered Accountants and Statutory Audit Firm, Block3, Harcourt Centre, Harcourt Street, Dublin 2.
Solicitors	Eversheds Sutherland, One Earlsfort Centre, Earlsfort Terrace, Saint Kevin's, Dublin 2.
Pensions Authority Registration Number	PB 7152
Pensions Authority	Verschoyle House, 28-30 Lower Mount Street, Dublin 2.

If you have any queries on this Annual Report or on any aspect of the Fund you should refer them, in the first instance, to:

IBTS Pension Mailbox,
Aon, Block D, Iveagh Court, Harcourt Road, Dublin 2.
Email: IBTSpension@aon.com

Trustees' Report

Introduction

The Trustees present herewith the annual report to members of The Irish Blood Transfusion Service Superannuation Fund (the Fund) for the year ended 31 December 2021. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), as prescribed by the Minister for Social Protection under the Pensions Act, 1990 (as amended). The report outlines the constitution and structure of the Fund together with details of financial movements for the period, investment matters and membership movements.

The Fund, which operates on a defined benefit basis, was established to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the Principal Employer, The Irish Blood Transfusion Service. The Fund is substantially closed to new entrants.

The Fund is governed by a Definitive Trust Deed and Rules which members are entitled to inspect or receive a copy thereof. Details of members' benefits are also provided in the explanatory booklet which has been distributed to all members and individual details appear on each member's benefit statement.

The Fund has been approved by the Revenue Commissioners as an "exempt approved Plan" under Section 774 of the Taxes Consolidation Act 1997 and as such its assets are allowed to accumulate free of income and capital gains taxes. In addition, tax relief is given on employer contributions to the Fund and certain lump sum payments to members can be paid free of tax.

The Fund has also been registered with the Pensions Authority and its registration number is PB 7152.

The Fund is financed by contributions from the employer and members. Details of contributions are set out in Note 4 to the financial statements.

Changes to the Fund

There have been no significant changes since the previous Fund year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended).

Trustees and Advisors

Stewardship of Fund assets is in the hands of its Trustees. The right of members to select, or approve the selection of, Trustees to the Fund is set out in the Fund Rules and in the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No.3) Regulations, 1996, (S.I. No. 376 of 1996).

Section 59AA of the Pensions Act 1990, which requires Trustees of pension plans to undergo training, was brought into force on 1 February 2010 by virtue of the Social Welfare and Pensions Act 2008 (Section 28) (Commencement) Order 2009. All Trustees have attended formal trustee training in compliance with the Act. The Trustees have access to appropriate training on their duties and responsibilities as Trustees. No costs or expenses were incurred by the Fund during the year in relation to the provision of Trustee training.

**Trustees and Advisors
(continued)**

The Trustees and the Registered Fund Administrator have access at all times to the Trustee Handbook produced by the Pensions Authority and the Guidance Notes issued by the Authority from time to time.

The Trustees of the Fund as at the date of approval of these financial statements are detailed on page 1. Unless otherwise indicated, on page 1, the Trustees served for the entire period and are still serving at the date of approval of this Annual Report.

The Trustees and Registered Administrator have appropriate procedures in place to ensure that:

- Contributions payable during the Fund year have been received by the Trustees in accordance with the Actuary's recommendations and the timetable set out in Section 58A of the Act where applicable to the contributions and otherwise within 30 days of the Fund year end, and
- Contributions payable have been paid in accordance with the rules of the Fund and the recommendations of the Actuary.

**Internal Disputes
Resolution (IDR)
Procedures**

In compliance with Section 55 of the Financial Services and Pensions Ombudsman Act, 2017 the Trustees have drawn up a set of procedures for dealing with complaints from actual or potential beneficiaries under the Fund to facilitate internal disputes resolution.

If any member feels they have suffered financial loss as a result of maladministration of the Fund, they may make a complaint in writing to the Trustees of the Fund. The Trustees will review the complaint and make a decision on the matter. If the member is unhappy with the Trustees' decision, the member may make an appeal to the Financial Services and Pensions Ombudsman.

Further information about these IDR Procedures is available from the IBTS Pension Mailbox, Aon, Block D, Iveagh Court, Harcourt Road, Dublin 2. Email: IBTSpension@aon.com

Pension Increases

During the period covered by this report, there were increases to pensions in the course of the payment. Increases to pensions in payment, if awarded, are in line with those increases granted to the Local Authority and Irish Civil Service pensioners. There are no pensions or pension increases being paid by or at the request of the Trustees for which the Fund would not have a liability should it wind up.

In accordance with the Pensions Act 1990, the statutory element of deferred pensions is revalued annually at the statutory revaluation rate. This is based on the lower of 4% and a measure of the increase in the Consumer Price Index (CPI). The statutory revaluation rate for the calendar year 2021 was 2.4% (2020: -0.3%).

Financial Development The financial development of the Fund Net Assets during the year is shown below:

	€
Opening Value as at 31 December 2020	190,702,461
Net Withdrawals from Dealing with Members	225,331
Investment Return	16,032,502
Closing Value as at 31 December 2021	206,960,294

All contributions payable during the Fund year have been received by the Trustees in accordance with the Actuary's recommendations and the timetable set out in Section 58A of the Act where applicable to the contributions and otherwise within 30 days of the Fund year end. There were no employer related investments at any time during the year.

IORPS II

The Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) – “IORP II” – was transposed into Irish law on 22 April 2021 by way of the European Union (Occupational Pension Schemes) Regulations 2021 (Statutory Instrument No. 128/2021). This is the most significant regulation to impact occupational pension schemes since the Pensions Act 1990.

The primary purpose of the IORP II Directive and transposing Regulations is to raise governance standards with a view to improving member outcomes. The administrative deadline for full compliance, with a few exceptions, is 31 December 2022. The Trustees have met all deadlines set to date.

Condition of the Fund

The financial condition of the Fund is dealt with in the Investment Management section of this report.

Under the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), the Trustees are required to describe the risks associated with the Fund and disclose these to members.

The Fund is funded by contributions paid by the employer and members. Actuarial advice will have been obtained when setting those contributions. However, there is no guarantee that the Fund will have sufficient funds to pay the benefits promised. It is therefore possible that the benefits payable under the Fund may have to be reduced. If the Fund is wound up and there is a deficit, the employer may not be under an obligation to fund the deficit or, even if the employer is under such an obligation, they may not be in a position to fund the deficit.

A Statement of Risks adopted by the Trustees is set out in the Appendices of this Report.

Actuarial Position

The financial position of the Fund is subject to an actuarial review every three years. An actuarial valuation was completed at 1 May 2020. The purpose of the valuation was to:

- a) Make recommendations on the contributions that should be made to the Fund and
- b) Report on the adequacy of the Fund's assets to meet the Fund's accrued liabilities

The Pensions Act 1990 introduced a requirement to have actuarial funding certificates produced for defined benefit funds. Such certificates must be prepared at least every three years. The Actuarial Funding Certificate included in the Appendices of this Annual Report (the original has been submitted to the Pensions Authority) confirms that the Fund satisfied the funding standard at 30 April 2020.

In addition, the Actuary signed and submitted to the Pensions Authority a Funding Standard Reserve Certificate with an effective date of 30 April 2020, which is also appended to this Annual Report. This confirms that the Fund held sufficient resources to meet the risk reserve requirements set out in Section 44(2) of the Pensions Act 1990 as at 30 April 2020.

For the purpose of the Funding Certificate, the active members' accrued benefits were calculated as though they had left service on the effective date of the Certificate. These benefits were calculated assuming that members would not transfer to a position where service is capable of being reckoned under The Local Government (Superannuation) Act 1956. The value of the accrued benefits in respect of the active and deferred members was calculated as the total of each individual's transfer value. These values do not represent the cost of buying out the accrued pensions using deferred annuity rates guaranteed by life offices, which would give a significantly higher value to the liabilities.

When valuing the liabilities of the Fund for this purpose no allowance was made for increases to pensions in payment. However, such increases are recognised in the calculation of the contribution rate for the Fund.

The Pensions (Amendment) Act 2002 introduced a requirement for the Actuary to set out in a statement that they are reasonably satisfied that the Fund meets the Funding Standard on the last date to which this Annual Report relates. A copy of this statement is included in the appendices to this Annual Report, which states that in the opinion of the Actuary the Fund would have met the Funding Standard and the Funding Standard Reserve requirements as at 31 December 2021.

Investment Management

The Trustees are responsible for determining the Fund's investment strategy. It is the policy of the Trustees to delegate in full the management of the Fund's assets to professional investment managers, which are set out in the Trustees and Advisors section of this Annual Report. The investment managers have discretion in the investment of Fund assets subject to investment guidelines established by the Trustees. In accordance with the Pensions Act 1990, the Trustees have agreed a Statement of Investment Policy Principles.

The investment managers provide detailed reports to the Trustees on the strategy being adopted and on the performance of the monies invested together with investment commentaries covering the period under review, which form part of this Annual Report.

The value of investments at 31 December 2021 was €204,915,589.

The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are borne by the Fund.

Events Subsequent to the Balance Sheet Date

The impact of Covid-19 has continued post year end. The Trustees continue to monitor the situation.

In February 2022 Russia invaded Ukraine. This has resulted in tragic human loss and dislocation by those impacted by the violence. The economic impact of the invasion includes higher energy prices, increased inflation and disruption to supply chains. At this time, it is difficult to determine the medium to longer term impact this will have on the Fund.

There were no other events post period end that would require amendments to or disclosure in this report. There were no other events subsequent to the year-end that would require amendment or disclosure in these financial statements.

Summary of Membership

Membership Movement

The following is a summary of the Membership Movements in respect of the Fund for the Year ended 31 December 2021.

	Active Members	Deferred Members	Pensioners
Membership @ 31/12/2020	382	563	215
New Entrants	5	-	-
New Pensioners	-	-	12
Actives to Deferred	(15)	15	-
Retirements	(10)	(2)	-
Leavers Administered	(1)	(3)	-
Membership @ 31/12/2021	361	573	227

In addition to the members at 31 December 2021, 3 members were included in the Fund for life assurance benefits only.

In conclusion

We trust that members find this report informative, and we are pleased to acknowledge the assistance received from the principal employer and its staff during the year as well as from our various professional advisors.

Signed for and on behalf of the Trustees

Trustee: 
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Trustee: 
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Date: Sep 21, 2022

Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make available for each Fund year the annual report of the Fund, including audited financial statements and the report of the auditors, to the Fund members, beneficiaries and certain other parties. The financial statements are required to show a true and fair view, in accordance with Financial Reporting Standards applicable in Ireland ("FRS 102"), of the financial transactions for the Fund year and the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Fund year and include a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice - Financial Reports of Pension Schemes ("SORP"), (revised 2018), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustees must ensure that in the preparation of Fund financial statements:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Fund will not be wound up; and
- the SORP is followed, or particulars of any material departures have been disclosed and explained.


The Trustees are required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable during the Fund year are received by the Trustees in accordance with the timetable set out in Section 58A of the Act where applicable to the contributions and otherwise within 30 days of the Fund year end; and
- contributions payable are paid in accordance with the rules of the Fund and the recommendation of the Actuary.

The Trustees are responsible for making available certain other information about the Fund in the form of an annual report. The Trustees are also responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an annual report to be prepared for the Fund containing the information specified in regulation 8 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), including financial statements which show a true and fair view of the financial transactions of the Fund in the year under review and of the assets and liabilities at the year-end, other than liabilities for pensions and other benefits payable after the year end. The Trustees are also responsible for safeguarding the assets of the pension Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed for and on behalf of the Trustees

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Deirdre Ann Barr
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Trustee:  DocuSigned by:
Noel Murphy
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Sep 21, 2022

Date: _____

Independent Auditors' Report to the Trustees

Independent Auditors' Report to the Trustees (Continued)

Independent Auditors' Report to the Trustees (Continued)

Fund Account

for the year ended 31 December 2021

		2021	8 months PE 31/12/2020
	Note	€	€
Contributions and benefits			
Employer Contributions	4	3,935,371	4,153,757
Employee Contributions	4	1,558,477	1,131,811
		<u>5,493,848</u>	<u>5,285,568</u>
Transfers in from other Funds	5	-	28,554
		-	28,554
Benefits payable	6	(3,885,180)	(2,871,830)
Payments to and on account of leavers	7	(1,026,768)	-
Administrative expenses	8	(215,041)	(166,652)
Other payments	9	(141,528)	(39,202)
		<u>(5,268,517)</u>	<u>(3,077,684)</u>
Net additions from dealing with members		<u>225,331</u>	<u>2,236,438</u>
Returns on investments			
Investment income	10	196,125	250,328
Investment managers expenses	11	(63,099)	(41,553)
Change in market value of investments	12	15,899,476	21,081,469
Net return on investments		<u>16,032,502</u>	<u>21,290,244</u>
Net (decrease)/increase in the Fund		16,257,833	23,526,682
Net Assets as at 1 January		<u>190,702,461</u>	<u>167,175,779</u>
Net Assets as at 31 December		<u>206,960,294</u>	<u>190,702,461</u>

The notes on pages 15 to 24 form part of these financial statements.

Signed for and on behalf of the Trustees

Trustee: DocuSigned by:
Deirdre Ann Barr
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Trustee: DocuSigned by:
Noel Murphy
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Date: Sep 21, 2022

Statement of Net Assets available for benefits

as at 31 December 2021

	Note	2021 €	2020 €
Investment assets			
Main Scheme Pooled Investment Vehicles	12	203,794,678	188,380,674
Insurance contracts	12	238,000	263,000
AVC Pooled Investment Vehicles	12	882,911	651,040
		<u>204,915,589</u>	<u>189,294,714</u>
Current Assets	13	2,304,050	1,624,427
Current Liabilities	14	<u>(259,345)</u>	<u>(216,680)</u>
Net Assets as at 31 December		<u>206,960,294</u>	<u>190,702,461</u>

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the actuarial funding certificate and actuary's statement included in the Annual Report, and these financial statements should be read in conjunction with them.

The notes on pages 15 to 24 form part of these financial statements.

Signed for and on behalf of the Trustees

Trustee:  DocuSigned by:
Deirdre Ann Barr

Trustee:  DocuSigned by:
Noel Murphy

Sep 21, 2022

Date: _____

Notes to the Financial Statements

1. The Fund

The financial statements summarise the transactions and net assets of the Fund. Liabilities to pay pensions and other benefits which are expected to become payable in the future are not dealt with in the financial statements. The actuarial position of the fund which does take account of such liabilities is dealt with in the Actuarial Valuation Report and these financial statements should be read in conjunction with that report. The Actuarial Funding Certificate, Funding Standard Reserve Certificate and Actuary Statement are provided the Appendices of this report.

2. Basis of Preparation

The financial statements have been prepared under the historical cost convention with the exception of investments which are carried at market value. The financial statements have also been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), and the guidelines set out in the Statement of Recommended Practice - Financial Reports of Pension Schemes (2018) ("SORP"), Published by the Pensions Research Accountants Group and the Financial Reporting Standard (FRS) 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) and Irish law.

The assets of the Fund do not include insurance policies which match and fully guarantee the obligations of the Fund in respect of specific individual members and/or their beneficiaries. Also, liabilities to pay benefits in the future are not dealt with in the financial statements. The actuarial position of the fund, which does take account of such liabilities, is dealt with in the actuarial valuation and these financial statements should be read in conjunction therewith.

An actuarial valuation has to be carried out under Section 56 of the Pensions Act 1990 (as amended), which requires trustees to obtain regular actuarial valuations of defined benefit pension schemes. In addition, the Trust Deed and Rules of the Plan require an actuarial valuation to be prepared at least as frequently as required under the Pensions Act (every three years).

As the most recent valuation was carried out as at 1 May 2020, the next valuation must be carried out with an effective date no later than 1 May 2023. The Trustees have decided that the next valuation should be carried out with an effective date of 1 January 2023 which will correspond with the renewal date for the Plan.

3. Accounting Policies

The significant accounting policies adopted by the Fund are as follows:

Accruals Concept

The financial statements have been prepared on an accruals basis with the exception of individual transfers, which are recognised when received or paid and benefits payable, which are recognised when the options available have been agreed.

Contribution income

The employer's normal contributions are accounted for as they fall due as agreed between the Trustees and the Principal Employer for the year and as recommended by the Actuary.

Employers' contributions for deficit funding or for benefit augmentation (where applicable) are accounted for on the basis agreed with the Principal Employer, the Trustees and the Fund Actuary, or, if there is no agreement, they are accounted on a cash basis.

Transfers to and from other Funds

Individual transfer values represent the amounts received or paid during the year. All the values are based on methods and assumptions determined by the Actuary for the Trustees.

Group transfers are accounted for in accordance with the terms of the transfer agreement.

Investment income

Income is accounted for on an accruals basis. Income earned on investments in pension managed funds is not distributed but is accumulated with the capital of the funds and dealt with as part of the change in market value.

Investment income from segregated funds and deposits is recognised separately in the return on investments and is highlighted in Note 7 of these financial statements.

Benefits payable

Benefits are accounted for in the period in which the member notifies the Trustees of his decision on the type or amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.

Administrative expenses

Administrative expenses, which are borne by the Fund, are accounted for on an accruals basis.

Valuation and classification of investments

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Where quoted or other unit prices are not available, the Trustees adopt valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the financial statements where used.

The methods of determining fair value for the principal classes of investments are:

3. Accounting Policies (continued)

- Pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the period end.
- The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustees. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.
- Unitised insurance policies are valued on the same basis as pooled investment vehicles with similar characteristics.

Annuity policies are valued by the Fund Actuary at the amount of the related obligation, determined using market annuity rates at 31 December 2021.

Taxation

The Fund has been approved as an "exempt approved Plan" for the purposes of Section 774, Part 30 Chapter 1 of the Taxes Consolidation Act 1997 and thus Fund income and gains are exempt from taxation.

Investment management fees

Investment management fees are calculated as a percentage of the assets under management and these fees are borne by the Fund. Fees relating to unitised funds are not levied directly but are reflected in the unit prices and also borne by the Fund.

4. Contributions

	2021	8 months PE
	€	31/12/2020
		€
Employer		
Normal Contributions	2,711,018	1,968,097
Employer Deficit Contributions	1,224,353	2,185,660
	<u>3,935,371</u>	<u>4,153,757</u>
Employee		
Normal Contributions	794,145	565,694
Employee's ASC	575,573	399,593
Employee's AVC	188,759	166,524
	<u>1,558,477</u>	<u>1,131,811</u>
Total	<u>5,493,848</u>	<u>5,285,568</u>

5. Transfers in from other Funds

	2021	8 months PE
	€	31/12/2020 €
Transfers in from other Funds	-	28,554
Total	-	28,554

6. Benefits Payable

	2021	8 months PE
	€	31/12/2020 €
Pensions Payable	3,267,276	1,993,941
Commutation and Lump Sum Retirement Benefits	583,599	872,499
ARF/AMRF/Annuity Purchase	-	539
Death Benefits	34,305	4,851
Total	3,885,180	2,871,830

7. Payments to and on account of leavers

	2021	8 months PE
	€	31/12/2020 €
Transfers to other Funds	1,024,889	-
Refund of contributions	1,879	-
Total	1,026,768	-

8. Administrative Expenses

	2021	8 months PE
	€	31/12/2020 €
Administrative expenses	181,015	157,502
Bank fees	414	331
Audit fees	9,154	8,819
Legal and other fees	24,458	-
Total	215,041	166,652

9. Other Payments

	2021	8 months PE
	€	31/12/2020 €
Death in service premiums	137,466	39,202
Pension authority fee	3,128	-
Reciprocal payment due	934	-
Total	141,528	39,202

10. Investment Income

	2021	8 months PE 31/12/2020
	€	€
Income from pooled investment vehicles	158,115	212,918
Annuity income	38,010	37,410
Total	196,125	250,328

11. Investment Expenses

	2021	8 months PE 31/12/2020
	€	€
Investment consultancy fees	63,099	41,553
Total	63,099	41,553

12. Net Investment Assets**(a) Summary of movement in investments during the year**

	Value at 31-12-20	Purchases proceeds	Sale proceeds	Change in market value	Value at 31-12-21
	€	€	€	€	€
Pooled Investment Vehicles	188,380,674	22,677,857	(23,097,857)	15,834,004	203,794,678
Insurance Contracts	263,000	-	-	(25,000)	238,000
AVC Pooled Investment Vehicles	651,040	188,759	(47,360)	90,472	882,911
	189,294,714	22,866,616	(23,145,217)	15,899,476	204,915,589

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, profits and losses realised on the sale of investments during the year and foreign exchange differences arising on the translation of investments denominated in foreign currencies. Where the investments are held in unitised funds, the change in market value also includes expenses both implicit and explicit for the year and any reinvested income, where the income is not distributed.

The Investment Managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the Fund.

Investments are held in unitised funds which are registered in the Republic of Ireland.

The Statement of Investment Policy Principles (SIPP) incorporates the Fund's policies in relation to Environmental, Social and Governance factors.

(b) Summary of % of net assets

	2021 €	Net Assets %	2020 €	Net Assets %
Irish Life Investment Managers				
Indexed Euro Corporate Bond Fund Series J	5,449,489	2.6%	-	-
Indexed Fundamental Equity Fund	8,051,717	3.9%	7,918,869	4.2%
Irish Inflation Linked Bond 2045	5,632,836	2.7%	5,183,020	2.7%
Irish Life MSCI Emerging Markets Equity Fund S3	5,135,550	2.5%	6,046,092	3.2%
MSCI Developed World Hedged Fund	29,449,373	14.2%	31,140,914	16.3%
MSCI Global Equity Fund S1	9,005,532	4.4%	8,732,688	4.6%
Passive > 10 Year AAA/AA Bond Fund S6	25,034,884	12.1%	27,048,659	14.2%
Passive Inflation Linked Bond Fund S9	25,785,315	12.5%	12,432,988	6.5%
Passive Small Cap	6,438,757	3.1%	8,419,932	4.4%
Pension Cash Fund S14	2,480,154	1.2%	5,507,272	2.9%
Ruffer LLP				
Ruffer SICAV Total Return Intl C EUR Cap IBT001	9,973,842	4.8%	9,164,633	4.8%
Fidelity International				
FIREF - Eurozone Select Real Estate Fund - Accumulation	16,941,405	8.2%	15,384,237	8.1%
Janus Henderson Investors				
Janus Henderson Secured Loans Fund Y Acc EUR Hedged	4,623,389	2.2%	4,381,799	2.3%
Ashmore Group Plc				
Ashmore SIAVC EM Total Return Fund	4,018,937	1.9%	4,528,288	2.4%
Amundi Asset Management				
Amundi Funds Emerging Markets Blended	4,455,576	2.2%	4,552,512	2.4%
Northern Trust				
Irish Infrastructure Fund	5,995,048	2.9%	5,594,101	2.9%
Payden Global Funds Plc				
Payden Absolute Return Bond Fund - Class EUR	12,988,177	6.3%	11,471,986	6.0%
BNY Mellon				
Global Real Return	9,418,399	4.6%	8,762,493	4.6%
Absolute Return	12,916,298	6.2%	12,110,190	6.4%
Total Investments	<u>203,794,678</u>		<u>188,380,673</u>	

c) Investments at market value

Pooled investment vehicles	Defined Benefit Investments		AVC Investments	
	2021	2020	2021	2020
	€	€	€	€
Multi Asset Funds	32,490,143	31,389,726	701,700	485,018
Bond Funds	87,806,999	68,246,843	24,115	24,594
Equity Funds	58,080,929	62,258,495	62,737	43,255
Property Funds	22,936,453	20,978,338	9,157	7,319
Cash Funds	2,480,154	5,507,272	85,201	90,854
	<u>203,794,678</u>	<u>188,380,674</u>	<u>882,911</u>	<u>651,040</u>

d) Investment Fair Value Hierarchy

The fair value of financial instruments has been determined using the following fair value hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability.
- Level 3: Inputs are unobservable (i.e. for which the market data is unavailable) for the asset or liability.

As At 31 December 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	€	€	€	€
Pooled Investment Vehicles	-	180,858,225	22,936,453	203,794,678
Insurance Contracts	-	-	238,000	238,000
AVC – Pooled Investment Vehicles	-	873,754	9,157	882,911
	-	181,731,979	23,183,610	204,915,589

As At 31 December 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	€	€	€	€
Pooled Investment Vehicles	-	167,402,336	20,978,338	188,380,674
Insurance Contracts	-	-	263,000	263,000
AVC – Pooled Investment Vehicles	-	643,721	7,319	651,040
	-	168,046,057	21,248,657	189,294,714

e) Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine the Fund's investment strategy after taking advice from a professional investment advisor. The Fund has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustees manage these risks taking into account the Fund's strategic investment objectives. These investment objectives are managed through the investment management agreements in place with the Fund's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

Investment strategy

The investment objective of the Fund is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Fund payable under the trust deed and rules as they fall due.

The Trustees set the investment strategy for the Fund taking into account considerations such as the strength of the employer covenant, the long term liabilities of the Fund and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Policy Principles ("SIPP"), and the SIPP has been included in the Appendices of this Report.

The current target strategy is to hold:

	% of Assets
• Equities	30-45%
• Property & Other Assets	10-35%
• Bonds & Cash	30-50%

Further information on the Trustees' approach to risk management, credit and market risk is set out overleaf.

Credit risk

The Fund invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Fund is also subject to indirect credit risk arising on some of the financial instruments held by the pooled investment vehicles.

All investment managers are regulated by the Central Bank of Ireland, the Financial Conduct Authority in the UK and/or the Commission de Surveillance du Secteur Financier in Luxembourg.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments. Acuvest Limited, the investment advisor to the Trustees, carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager. Pooled investment arrangements used by the Fund comprise unit linked insurance contracts and authorised unit trusts.

The Fund is subject to indirect credit risk arising from underlying the financial instruments held by the pooled investment vehicles. At the current and previous period-end the Bond, Multi Asset, Property and Cash funds were exposed to underlying credit risk as these funds invest in bonds, property, cash and derivatives.

Currency Risk

The Fund is subject to indirect currency risk as some of the underlying investments of all of the Fund's pooled investment vehicles are held in overseas markets. Currency risk is managed through investment fund diversification.

Interest Rate Risk

The Fund is subject to interest rate risk indirectly because some of the Fund's pooled investment vehicles hold fixed income securities.

Other price risk

Other price risk arises principally in relation to equities held in pooled investment vehicles. All of the Funds pooled investment funds are exposed to other price risk.

The Fund manages this exposure to overall price movements by holding a diverse portfolio of investments across various markets.

13. Current Assets

	2021	31/12/2020
	€	€
Bank	1,954,731	1,218,839
Annuity income due	102	101
Local Gov Mutual Agreement Income due	73,577	94,680
Pensions prepaid	275,640	246,461
Risk premium prepaid	-	64,346
Total	2,304,050	1,624,427

14. Current Liabilities

	2021	31/12/2020
	€	€
Benefits payable	128,429	132,659
Accrued expenses	99,002	84,021
Risk premium due	31,914	-
Total	259,345	216,680

15. Related Party Transactions**Trustees**

The Trustees of the Fund are listed on page 1 of this report. Contributions include amounts in relation to the 5 Trustees who are members of the Fund.

Remuneration of the Trustees

The Trustees did not receive and are not due any remuneration from the Fund, or any related party, in connection with the management of the Fund.

Principal Employer

The Irish Blood Transfusion Service, under the auspices of the Department of Health, is the Principal Employer and Contributions are made in accordance with Trust Deed and Rules and the recommendation of the Actuary.

The Registered Administrator

Aon Solutions Ireland Limited T/A Aon provides administration and actuarial services to the Fund.

Investment Managers

The investment managers are listed on page 1 of this Report. The investment managers are remunerated on a fess basis calculated as a percentage of the assets under management and these fees are borne by the Fund.

16. Self-Investment

There were no employer related investments at any time during the year.

- 17. Concentration of Investments** There was no individual stock representing in excess of 5% of the fund assets other than holdings in unitised funds as detailed in Note 12.
- 18. Contingent Liabilities** There were no contingent liabilities or contractual commitments (save for the liability to pay pensions and other benefits in the future which have not been taken into account) at 31 December 2021 (2020: €Nil).
-
- 19. Events Subsequent to the Balance Sheet Date** The impact of Covid-19 has continued post year end. The Trustees continue to monitor the situation.
In February 2022 the Russia invaded Ukraine. This has resulted in tragic human loss and dislocation by those impacted by the violence. The economic impact of the invasion includes higher energy prices, increased inflation and disruption to supply chains. At this time, it is difficult to determine the medium to longer term impact this will have on the Fund.
There were no other events post period end that would require amendments to or disclosure in this report. There were no other events subsequent to the year-end that would require amendment or disclosure in these financial statements.
-
- 20. Approval of the Accounts** The accounts were approved by the Trustees on Sep 21, 2022
-

Appendix 1 - Investment Managers Report



Investment Report

for the

Irish Blood Transfusion Service Superannuation Fund

as at

31 December 2021

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Irish Blood Transfusion Service Superannuation Fund

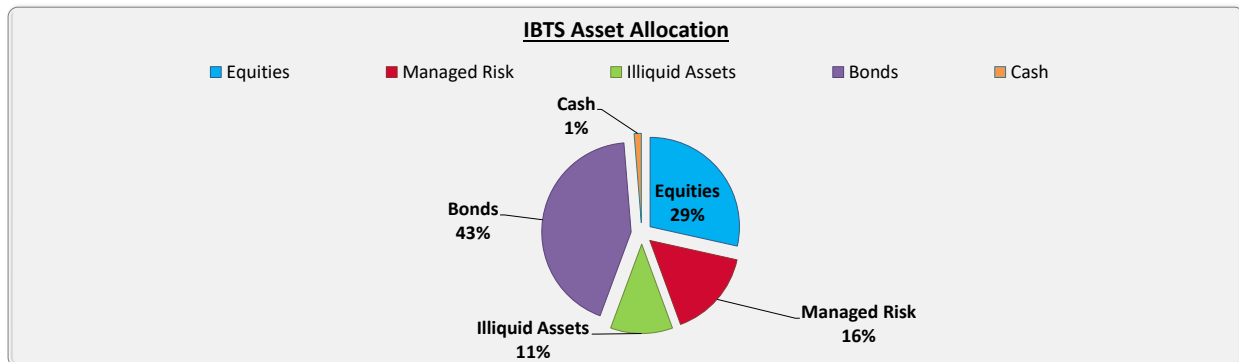
1. Fund Summary

Dec-21

1.1 Valuation & Performance Summary

	Valuation		Performance			Performance Benchmark **		
	Prior Year End Dec-20	Current Period Dec-21	Dec-21	YTD	3 Yr	Dec-21	YTD	3 Yr
Real Assets Fund								
Equities	62,258,495	58,080,929	3.5%	24.2%	19.1%	3.3%	24.4%	20.9%
Managed Risk	31,389,725	32,490,141	1.1%	3.5%	5.7%	1.1%	3.5%	5.7%
Illiquid Assets	20,978,338	22,936,453	2.8%	10.2%	7.5%	2.8%	10.2%	7.5%
	114,626,559	113,507,523	2.7%	15.6%	13.2%	2.7%	16.4%	14.8%
Monetary Assets Fund								
Bonds	68,246,843	87,806,999	-1.2%	-1.3%	3.8%	-3.5%	-7.4%	4.4%
Cash	5,507,272	2,638,269	0.0%	-0.6%	-0.5%	0.0%	-0.6%	-0.5%
	73,754,115	90,445,268	-1.2%	-1.3%	3.2%	-3.5%	-7.4%	4.4%
Total	188,380,674	203,952,791	0.9%	8.5%	9.2%	0.2%	6.4%	10.8%

1.2 Asset Allocation



	Total Fund Actual Allocation			Benchmark	Variance
	Prior Year End Dec-20	Prior Period Nov-21	Current Period Dec-21		
Total Equities	33%	28%	28%	35%	-7%
Passive	29%	24%	25%		
Active	0%	0%	0%		
Illiquid Assets	11%	11%	11%	9%	2%
Managed Risk	17%	16%	16%	16%	0%
Return Seeking Assets	61%	55%	56%	60%	-4%
Bonds	36%	44%	43%	40%	3%
Cash	3%	1%	1%	0%	1%
Monetary Assets	39%	45%	44%	40%	4%
	100%	100%	100%	100%	0%

1.3 Cash Flow Summary

	Dec-21	YTD
Opening Fund Value	202,063,575	188,380,674
Net Investment Cash Flow In (Out)	-	(420,000)
Net Return on Investments	1,889,216	15,992,118
Closing Fund Value	203,952,791	203,952,791
Breakdown of Cash Flow Movements	Dec-21	YTD
Equities	-	(17,920,000)
Managed Risk	-	-
Illiquid Assets	-	(158,115)
Bonds	-	20,500,000
Cash	-	(2,841,885)
Net Investment Cash Flow In (Out)	-	(420,000)

**

Benchmarks

Equities: - MSCI ACWI IMI and MSCI ACWI IMI Local; Managed Risk - IBTS Managed Risk Return; Illiquid Assets - IBTS Illiquid Assets Return;
 Bonds - ILIM Passive Long Bond Fund until 30 June 2014, AAA/AA >10 yr Fund since 01 July 2014
 Cash: - 3 month euribor
 Real Assets: 58% MSCI ACWI IMI, 15% IBTS Illiquid Assets, 27% IBTS Managed Risk
 Monetary Assets: ILIM Passive Long Bond Fund
 Total Fund: 35% MSCI ACWI IMI, 9% IBTS Illiquid Assets, 16% IBTS Managed Risk, 40% ILIM Passive Long Bond Fund until 30 June 2014,
 40% AAA/AA >10 yr Fund since 01 July 2014

Irish Blood Transfusion Service Superannuation Fund

2. Real Assets

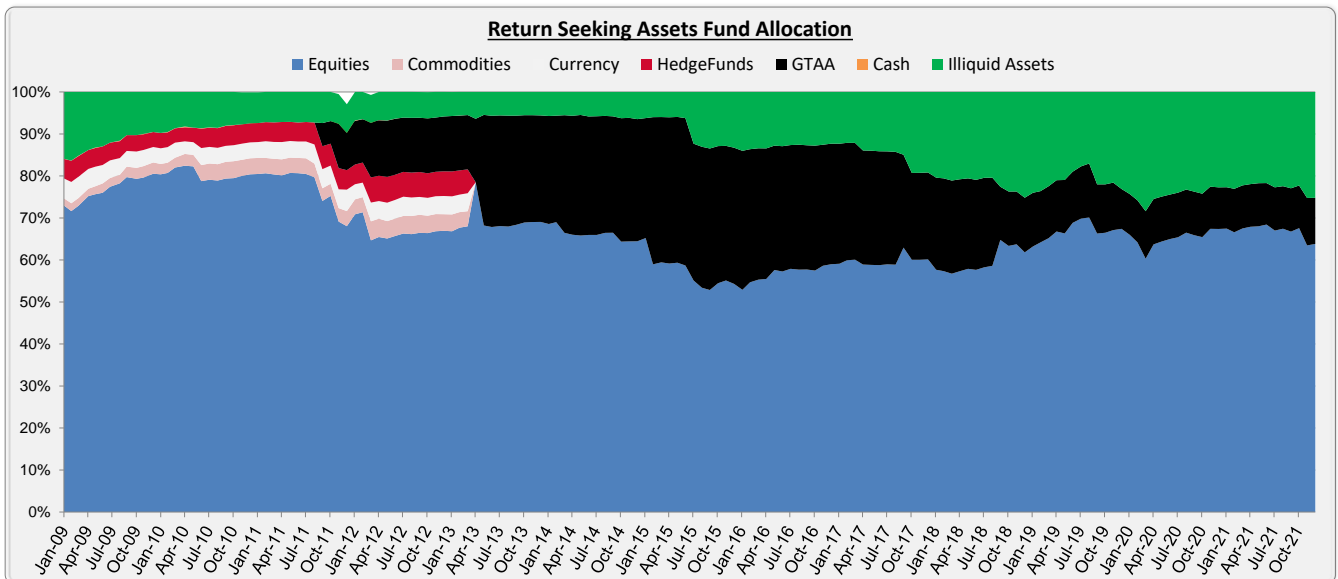
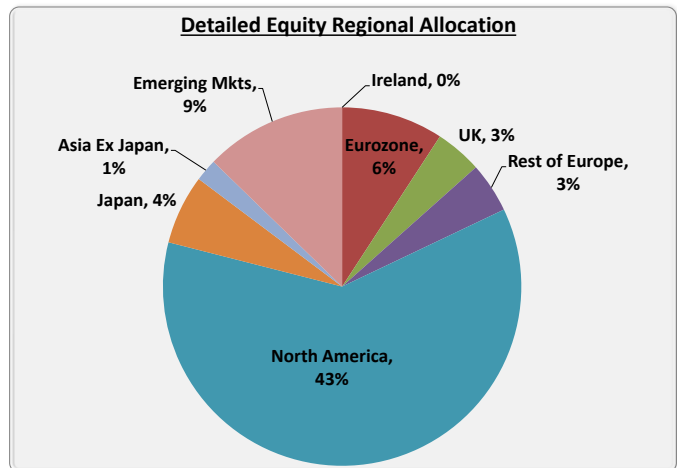
Dec-21

2.1 Valuation & Performance - Real Assets

Manager	Valuation			Net Cash Flow		Performance	
	Prior Year End Dec-20	Prior Period Nov-21	Current Period Dec-21	Dec-21	YTD	Dec-21	YTD
Equities							
<i>Passive</i>							
ILIM MSCI Emerging Mkts	6,046,092	5,090,871	5,135,550	-	(1,223,508)	0.9%	5.1%
ILIM MSCI Dev World Hedged	31,140,914	28,343,870	29,449,373	-	(8,404,820)	3.9%	23.3%
ILIM Passive Small Cap	8,419,932	6,271,367	6,438,757	-	(3,789,241)	2.7%	24.8%
ILIM MSCI Global Equity	8,732,688	8,722,579	9,005,532	-	(2,238,165)	3.2%	31.1%
ILIM Indexed Fundamental Equity	7,918,869	7,679,672	8,051,717	-	(2,264,266)	4.8%	32.4%
	62,258,495	56,108,358	58,080,929	-	(17,920,000)	3.5%	24.2%
Managed Risk							
BNY Mellon Global Real Return	8,762,493	9,163,915	9,418,399	-	-	2.8%	7.5%
Ruffer	9,164,633	9,985,614	9,973,842	-	-	-0.1%	8.8%
Henderson Secured Loans	4,381,799	4,602,166	4,623,389	-	-	0.5%	5.5%
Ashmore	4,528,288	4,001,116	4,018,937	-	-	0.4%	-11.6%
Amundi	4,552,512	4,381,835	4,455,576	-	-	1.7%	-2.1%
	31,389,725	32,134,645	32,490,141	-	-	1.1%	3.5%
Illiquid Assets							
Fidelity European Property	15,384,237	16,876,752	16,941,405	-	-	0.4%	10.1%
ILIM/ AMP Infrastructure	5,594,101	5,438,961	5,995,048	-	(158,115)	10.2%	10.3%
	20,978,338	22,315,713	22,936,453	-	(158,115)	2.8%	10.2%
Total Real Assets Fund	114,626,559	110,558,717	113,507,523	-	(18,078,115)	2.7%	15.6%

2.2 Asset Allocation - Real Assets

	Actual Allocation		
	Dec-20	Nov-21	Dec-21
Equities	54%	51%	51%
Managed Risk	28%	29%	29%
Illiquid Assets	18%	20%	20%
	100%	100%	100%

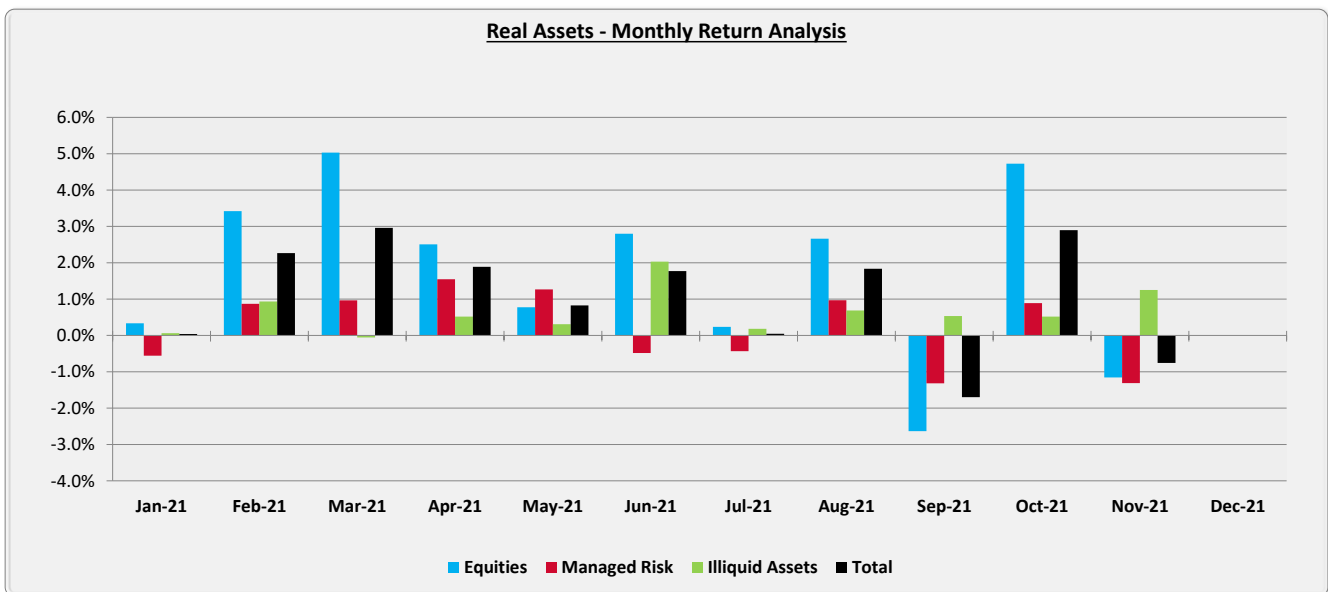
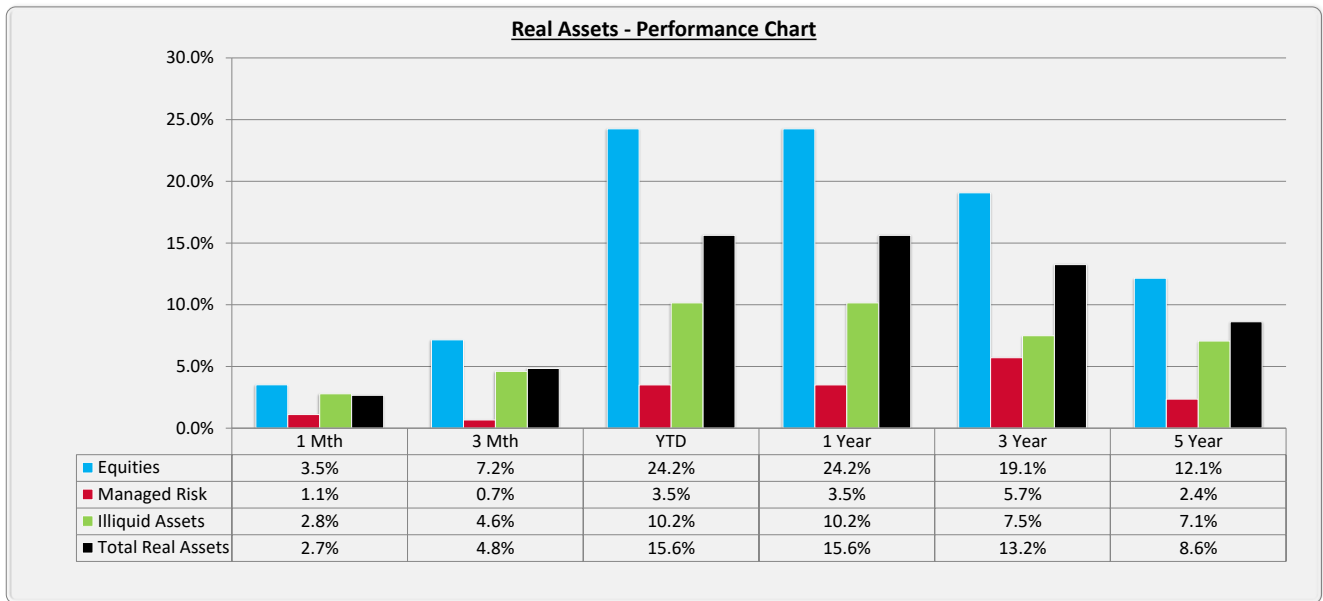


Irish Blood Transfusion Service Superannuation Fund

2. Real Assets

Dec-21

2.3 Performance - Real Assets

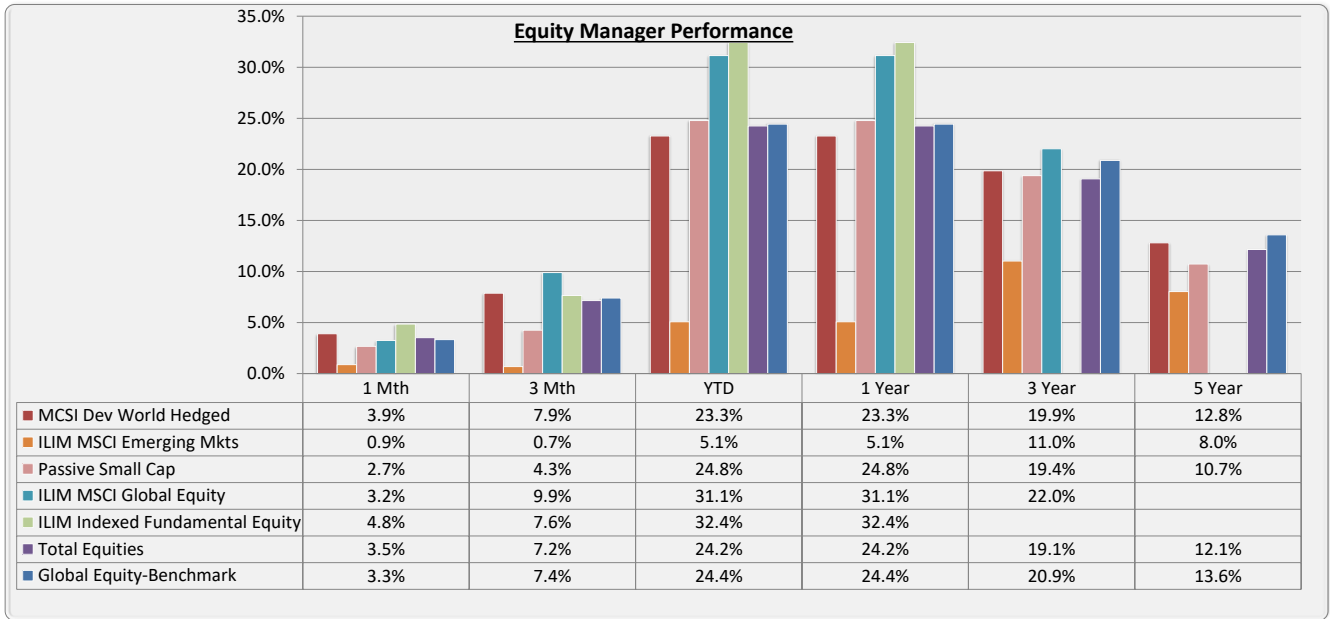


Irish Blood Transfusion Service Superannuation Fund

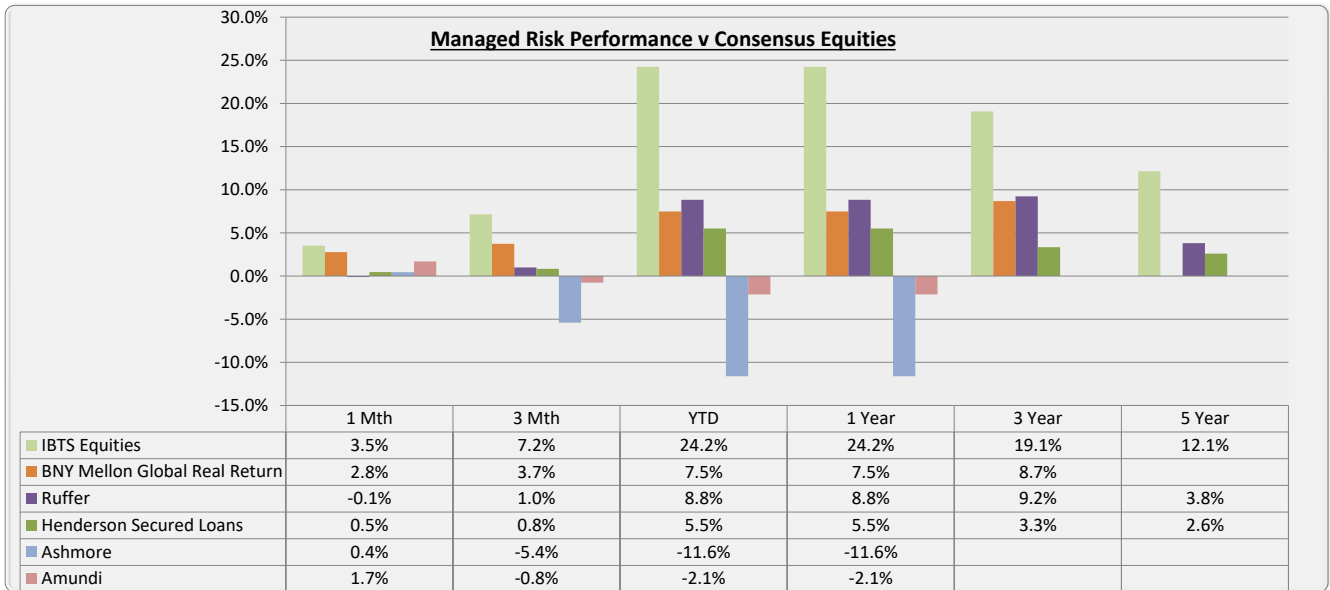
2. Real Assets

Dec-21

2.4 Equity Manager Performance - Real Assets



2.5 Alternative Assets Analysis - Real Assets



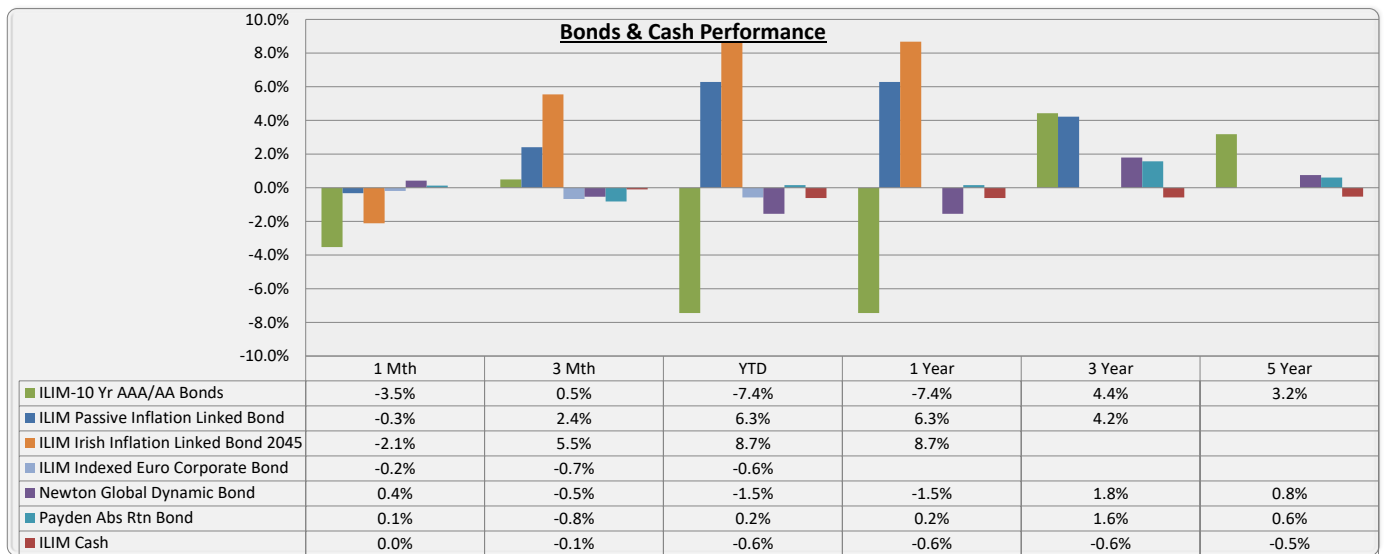
Irish Blood Transfusion Service Superannuation Fund

3. Monetary Assets

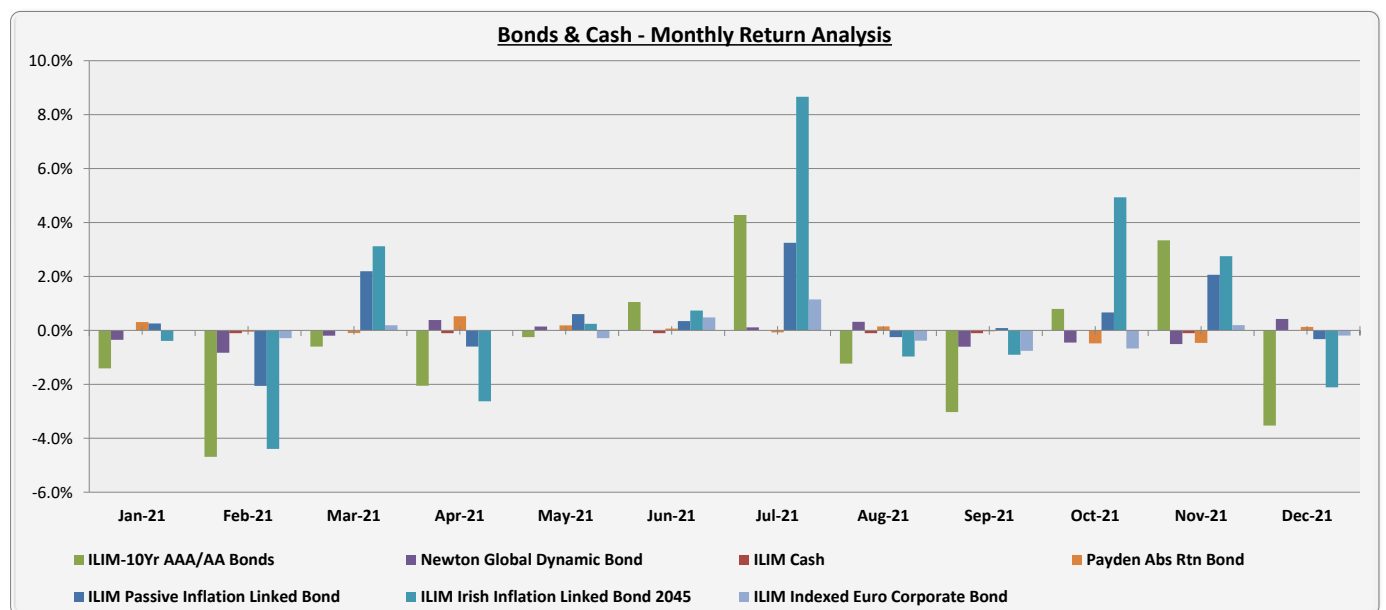
Dec-21

3.1 Valuation & Performance - Monetary Assets

Asset Class	Type	Manager	Valuation			Net Cash Flow		Performance	
			Prior Year End Dec-20	Prior Priod Nov-21	Current Period Dec-21	Dec-21	YTD	Dec-21	YTD
Bonds	Passive Bond	ILIM-10Yr AAA/AA	27,048,659	25,950,237	25,034,884	-	-	-3.5%	-7.4%
	Passive Bond	ILIM Infl. Linked	12,432,987	25,868,831	25,785,316	-	12,500,000	-0.3%	6.3%
	Passive Bond	ILIM Irish ILB 2045	5,183,020	5,754,408	5,632,836	-	-	-2.1%	8.7%
	<i>since 24/02/21</i>	Passive Bond	-	5,459,989	5,449,489	-	5,500,000	-0.2%	-0.6%
	Absolute Rtn	Newton	12,110,190	12,861,634	12,916,298	-	1,000,000	0.4%	-1.5%
	Absolute Rtn	Payden & Rygel	11,471,986	12,971,492	12,988,177	-	1,500,000	0.1%	0.2%
				68,246,843	88,866,590	87,806,999	-	20,500,000	-1.2%
Cash	Active	ILIM	5,507,272	2,638,269	2,638,269	-	(2,841,885)	0.0%	-0.6%
			5,507,272	2,638,269	2,638,269	-	(2,841,885)	0.0%	-0.6%
Total Monetary Assets			73,754,115	91,504,859	90,445,268	-	17,658,115	-1.2%	-1.3%



Note: ILIM Indexed Euro Corporate Bond since 24/02/2021



Appendix 2 - Actuarial Funding Certificate



An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BD

Article 4

ACTUARIAL FUNDING CERTIFICATE

THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42(1) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: Irish Blood Transfusion Service Superannuation Fund

SCHEME COMMENCEMENT DATE: 01/05/1963

SCHEME REFERENCE NO.: PB7152

EFFECTIVE DATE: 30/04/2020

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 30/04/2017

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €165,990,000.00, would have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €141,544,000.00, and

(2) €0.00 of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act.

I, therefore, certify that as at the effective date of this certificate the scheme satisfies the funding standard provided for in section 44(1) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature:  **Date:** 14/01/2021

Name: Ms Mary Cahill **Qualification:** FSAI

Name of Actuary's Employer/Firm: Aon Solutions (Ireland) Limited **Scheme Actuary Certificate No.:** P011

Submission Details

Submission Number: SR2481199 **Submitted Electronically on:** 14/01/2021

Submitted by: Mary Cahill

Appendix 3 - Funding Standard Reserve Certificate



An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BE

Article 4

FUNDING STANDARD RESERVE CERTIFICATE

THIS CERTIFICATE HAS BEEN PREPARED PURSUANT TO SECTION 42(1A) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: Irish Blood Transfusion Service Superannuation Fund

SCHEME COMMENCEMENT DATE: 01/05/1963

SCHEME REFERENCE NO.: PB7152

EFFECTIVE DATE: 30/04/2020

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 30/04/2017

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the funding standard liabilities (as defined in the Act) of the scheme amount to €141,544,000.00,

(2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (DC resources)), calculated for the purposes of section 44(1) of the Act amount to €165,990,000.00,

(3) €50,724,000.00, of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,

(4) the amount provided for in section 44(2)(a) of the Act (Applicable Percentage x ((1) minus (3)) is €9,082,000.00,

(5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is €2,462,000.00,

(6) the aggregate of (4) and (5) above amounts to €11,544,000.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €24,446,000.00, of which, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act, €0.00 comprises contingent assets and €0.00 of such contingent assets comprise an unsecured undertaking.

I therefore certify that as at the effective date of the funding standard reserve certificate, the scheme does hold sufficient additional resources to satisfy the funding standard reserve as provided in section 44(2) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature:  **Date:** 14/01/2021

Name: Ms Mary Cahill **Qualification:** FSAI

Name of Actuary's Employer/Firm: Aon Solutions (Ireland) Limited **Scheme Actuary Certificate No.:** P011

Submission Details

Submission Number: SR2481202 **Submitted Electronically on:** 14/01/2021

Submitted by: Mary Cahill

Appendix 4 - Actuary Statement



Actuary's Statement

Irish Blood Transfusion Service Superannuation Fund ("the Scheme")

The Pensions (Amendment) Act 2002 introduced a requirement for the Actuary to issue an annual statement confirming whether he/she is or is not reasonably satisfied that a defined benefit pension scheme continues to meet the Funding Standard specified under the Pension Act 1990 (the Act) and subsequent amending legislation.

I prepared an Actuarial Funding Certificate and a Funding Standard Reserve Certificate for the Scheme under Section 42 of the Act; both having an effective date of 30th April 2020. The certificates confirmed that, in my opinion, the Scheme satisfied the Funding Standard and the Funding Standard Reserve requirements as described in Section 44 of the Act at the effective date.

I have reviewed the Scheme as at the 31 December 2021. If I were to prepare an Actuarial Funding Certificate under section 42 of the Act having an effective date of the 31 December 2021, in my opinion the Scheme would continue to satisfy the Funding Standard. At that date the Scheme would, in my view, have also been in a position to satisfy the Funding Standard Reserve requirements.

For this purpose, the active members' accrued benefits were calculated as though they had left service on the effective date. I have assumed that on leaving service members would not transfer to a position where service is capable of being reckoned either under the Local Government (Superannuation) Act 1956 or under the Voluntary Hospitals Superannuation Scheme.

The value of the accrued benefits in respect of the active and deferred members was calculated as the total of each individual's transfer value. These values do not represent the cost of buying out the accrued pensions using deferred annuity rates guaranteed by life offices, which would give a significantly higher value to the liabilities.

When valuing the liabilities of the Scheme for this purpose no allowance was made for increases to pensions in payment. However, such increases are recognised in the calculation of the ongoing contribution rate for the Scheme.

In making this statement, reference has been made to guidance issued by the Society of Actuaries in Ireland under ASP PEN-3.

Mary Cahill
Fellow of the Society of Actuaries in Ireland

Prepared for: The Trustees of the Irish Blood Transfusion Service
Superannuation Fund

Prepared by: Mary Cahill

Date: 4 August 2022

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Appendix 5 - Statement of Investment Policy Principles

Irish Blood Transfusion Service Superannuation Fund Statement of Investment Policy Principles

1. Introduction

- 1.1 This statement sets out the principles governing decisions about the investment of the assets of the Irish Blood Transfusion Service Superannuation Fund ('the Fund'). The Trustees of the Irish Blood Transfusion Service Superannuation Fund issue this statement to comply with the requirements of the Occupational Pension Schemes (Investment) Regulations 2021.
- 1.2 The investment powers of the Trustees are set out in the Trust Deed and Rules governing the Fund. This statement is consistent with those powers.
- 1.3 When setting the investment objective and policy the Trustees seek advice from the Fund's investment adviser and actuary.
- 1.4 The Trustees recognise the importance of receiving independent professional advice when formally reviewing the investment objectives, strategy and managers. As such, Acuvest Limited ("Acuvest") has been appointed as investment advisers to the Trustees. Acuvest's role is to assist the Trustees in relation to setting their investment objectives, strategy and the selection of appropriate investment managers. On an ongoing basis Acuvest assists the Trustees by monitoring the investment performance of the Fund and the performance of the appointed investment managers, and advises the Trustees on strategic asset allocation. Acuvest does not receive any remuneration from the investment managers used by the Trustees.
- 1.5 While the Trustees recognise that unforeseen movements in the Fund's liabilities can have a significant impact on the achievement of the investment objectives of the Fund, this is not dealt with within this document, which deals solely with Investment Policy Principles.
- 1.6 The Trustees will review this statement at least every three years and it will be revised whenever there is a change in the investment policy principles of the Fund.
- 1.7 This document was endorsed by the Trustees as having effect from 20 January 2022.

2. Investment Objective

- 2.1 The investment objectives agreed by the Trustees and Employer are:
 - To invest the Fund's monies in a range of suitable assets, which when income and capital growth are considered, together with Employer and members' contributions, will meet the Fund's liabilities as they fall due.
 - In doing so the Trustees seek to minimise the risk of the Fund failing to meet its liabilities on the statutory solvency basis.
 - To ensure that the investment management costs of the Fund represent value for money, in the context of the risk and return characteristics of the asset classes and investment funds selected.

- 2.2 The Trustees recognise that to achieve the above objectives the investment policy requires the use of a diversified portfolio of assets whose characteristics take account of the nature, term and uncertainty of the Fund's liabilities.
- 2.3 The Fund operates in order to provide retirement and death benefits to eligible members and beneficiaries including former employees who are in receipt of a pension.
- 2.4 The defined benefit basis of the benefit provision provides a pension related to service and salary. The Fund's liabilities are therefore long-term and real in nature. Crucially, the Fund's liabilities are not affected by the investment return on the assets.
- 2.5 Although the Fund's liabilities are not affected by the investment return on the assets, the Trustees also take into account when setting the policy that members have a direct interest in the sufficiency of the assets of the Fund. It is the extent of the sufficiency of the Fund that determines its ability to meet the promised benefits.
- 2.6 Cashflows, after allowing for benefit payments, are positive and hence there are no immediate liquidity constraints that need to be considered by the Trustees when setting the investment policy.
- 2.7 In addition, the term of the liabilities is long due to the age profile of the membership. This means that the Fund can afford to expose itself to short term volatility, if there is an expectation that this would generate additional returns.
- 2.8 The Trustees are cognisant of the fact that the age profile of the scheme members continues to increase due to the fact that the Fund is substantially closed to new members. The profile of the Fund's membership and how that translates to the liabilities of the scheme, is a key input to the investment strategy review process that is undertaken by the Trustees, in conjunction with its investment and actuarial advisers, at least every three years.

3. Investment Risk

- 3.1 The investment risk for the Fund is the risk that it will not meet its funding objectives due to an inadequate investment return. The Trustees, in consultation with the Fund's advisers, assess this risk on a regular basis. This involves re-appraising the appropriateness of the Fund's investment policy having regard to the liability profile of the Fund and changing economic circumstances.
- 3.2 The risk of inadequate investment return can be broadly sub-divided between:
- The risk that the investment performance of the asset classes that the Trustees, their investment advisers and the investment managers decide to invest in may not be in line with expectations; and
 - The risk that the individual investment managers chosen to invest funds on behalf of the Fund will deliver returns lower than those earned by other managers investing in similar asset classes.

4. Risk Management Processes

4.1 The Trustees manage the investment risk by:

- Monitoring the key drivers that impact the liabilities.
- Management of asset allocation on an ongoing basis in light of changing liabilities and changing market conditions.
- Appointing investment managers to provide the investment services required to invest the Fund's assets.
- Providing the investment managers with clear mandates and detailed guidelines and then monitoring their performance regularly.
- Use of passive as well as active managers to reduce overall active manager risk.
- Ensuring that the Fund's investments are well diversified.
- Ensuring that appropriate control procedures are in place.
- In accordance with the obligations under IORP II, the Trustees will appoint a risk manager to the Fund within 12 months of the date of this document.

4.2 The performance of the Fund's selected investment managers is reviewed on a quarterly basis against the benchmarks set by the Trustees. The quarterly reviews are carried out by the Trustees in conjunction with their investment advisors, Acuvest.

4.3 In addition to reviewing the investment managers performance on a quarterly basis the Trustees, or their investment advisers, meet the key managers at least once each year to discuss their performance and expectations for future performance.

4.4 The benchmarks for the investment managers are based on the market in which they are mandated to invest, their specific investment objectives, or their peer groups. The Trustees review the scheme investment performance against the assumptions built into the actuarial review.

4.5 Due to the size of the Fund's assets the Trustees do not have their own Custodian arrangement for holding the Fund's assets. The investment managers appointed by the Trustees each have custodian arrangements in place for the assets held by the investment manager in unitised funds.

4.6 Details of the Fund's investment managers, as appointed by the Trustees, are listed in Appendix A. The investment managers have day-to-day responsibility for managing investments of the Fund, within the guidelines and investment policy as determined by the Trustees. The fees paid to the investment managers are laid down in agreements with them and are subject to verification on an annual basis as part of the audit of the Fund.

5. Strategic Asset Allocation

5.1 In determining asset allocation the Trustees consider a number of factors including;

- the nature and duration of the Fund's liabilities;
- the range of asset classes available;

- the suitability of each asset class, including expected return, and the risk and liquidity characteristics thereof;
- the desire to achieve full diversification between asset classes and, where appropriate, within asset classes;
- the range of investment strategies and management styles; and
- the need to balance the desire to maximise return with the need to control risk.

5.2 When formulating the strategic asset allocation within the Fund, the Trustees worked within a framework agreed with the Principal Employer. The framework endeavours to maximise investment returns while also managing risk which is achieved through the bond / cash holding in the portfolio.

5.3 After due consideration and having taken external advice the Trustees have adopted the following asset allocation ranges, within which the assets will be managed on an ongoing basis:

	% of Assets
Growth assets (equities, property & others)	55(+/-2)%
Bonds & Cash	45(+/-2)%

The allocation is reviewed on a regular basis (at least quarterly) with the assistance of the Fund's independent investment advisers.

5.4 The Trustees recognise that they cannot control the specifics of the overall investment activity. However, the investment managers have confirmed to the Trustees that the investments held should, for the most part, be limited to widely held securities traded on recognised markets with adequate diversification.

5.5 The Trustees have decided that, without the express written permission of the Trustees, investment managers may not engage in stock lending with any of the Fund's assets that they manage on an active basis. However, the Trustees accept that stock lending is commonplace within unitised passive equity funds and are therefore prepared to permit it for funds invested in passive equities.

5.6 The investment managers that have been mandated to invest in equities, properties and bonds may only use derivatives to control the risk, principally in the form of currency hedging and to facilitate efficient portfolio management. The Trustees accept the fact that the use of derivatives is a common way of gaining exposure to the underlying assets in some alternative asset classes such as currencies, commodities, hedge funds and absolute return or global tactical asset allocation funds. The Trustees have invested in these alternative assets through unitised funds and fund-of-funds arrangement and place reliance on the governance and supervisory procedures within their structures to monitor and manage their exposure to derivatives in this area.

5.7 The Trustees expect the investment managers to implement the principles in this statement as far as is reasonably practicable. The investment managers have been supplied with a copy of this statement. Any exception should be notified in advance to the trustees.

5.8 For members' AVCs, the Trustees have chosen Irish Life as their single investment manager, taking into account past performance, range of investment funds available, charging structure, flexibility and quality of administration. Members make their own selection of the funds they wish to invest in from the full range of AVC unitised funds operated by Irish Life. Members receive an

annual benefit statement showing their AVC fund values together with details of the funds in which they are invested. Details of the performance of the various AVC funds are available on the Irish Life website.

6. Environmental, Social & Governance (ESG)

The Trustees believe that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

By using a pooled investment vehicle for its equity investments, the Trustees accept that the day to day application of voting rights will be carried out by the investment managers in accordance with their own corporate governance policy and current best practice. These managers have in place clear policies of normally voting on all issues on behalf of its investors' best financial interests; their voting policies and practices are accessible on their respective websites and have been reviewed by the Trustees' investment advisors.

The Trustees, in conjunction with their advisers, will actively monitor and engage with their managers on ESG integration, consistent with this Policy statement. The Trustees have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations and not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in future.

7. Shareholder's Rights Regulation 2020

The Scheme invests in units in various pooled funds that may from time to time invest in equities of companies which are listed on EU regulated markets, and to that extent the Scheme is subject to the European Union (Shareholders' Rights) Regulations 2020 (the SRD II Regulations). However, only a limited portion of the Scheme's investments fall within the ambit of the SRD II Regulations. In respect of the portion which does, the Trustees have not developed a standalone engagement policy, as the investment is through a pooled fund or funds, and it is the asset manager which has the direct engagement with the underlying investee companies. The asset manager for each relevant fund has provided the Trustees with a copy of its Engagement Policy, and confirmed to the Trustees how it complies with the requirements of Directive (EU) 2017/828 ("SRD II"), the EU Directive underlying the SRD II Regulations.

The current funds in which the scheme is invested which invest or may invest in equities of companies which are listed on EU regulated markets are detailed in the Appendix to this Statement.

8. Sustainability Related Disclosures

Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector, requires the Trustees to make certain disclosures in the area of sustainability risk and sustainability factors.

A sustainability risk is any environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Scheme's investments.

Sustainability factors are defined as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

As indicated above the Trustees believe that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes. Therefore, for all new manager appointments, the manager's integration of sustainability risk into its investment decision making process will be a relevant factor which the Trustees will take into account in the selection process.

However, the Trustees do not believe it is in the best long term interests of the Scheme beneficiaries to insist that sustainability risk is fully integrated into all investments made by the Trustees, in the manner envisaged by Article 6 of Regulation (EU) 2019/2088, as this would greatly limit the fund choices available to the Trustees in certain asset classes.

The Trustees also do not believe it is in the best long term interests of the Scheme beneficiaries to seek to take account of the potential adverse impacts of their investment decisions on sustainability factors. Again, because only a limited number of funds take account of the adverse impacts of their investment decisions on sustainability factors in the manner required by Article 4 of Regulation (EU) 2019/2088, this would greatly limit the fund choices available to the Trustees in certain asset classes, with a potentially negative impact on the implementation of the Scheme's investment strategy.

Signed on behalf of the Trustees:

Deirdre-Ann Barr

Date:

21 January 2022

Signed on behalf of the Trustees:

Noel Murphy

Date:

27 January 2022

Appendix

List of Trustees and Advisers

Trustees: Deirdre-Ann Barr (Chairperson)
Noel Murphy
Idelle Hawkins
Paul Kelly
John Crowley
Jim Shanahan

Auditors: Mazars,
Block 3 Harcourt Centre,
Harcourt Road,
Dublin 2

Bankers: Allied Irish Banks,
26 Patrick Street
Cork

Solicitors: Eversheds Sutherland,
One Earlsfort Centre,
Earlsfort Terrace,
Dublin 2

Actuary: Mary Cahill, F.I.A, Aon

Fund Administrators: Aon Solutions Ireland Limited,
Block D, Iveagh Court
Harcourt Road
Dublin 2

Investment Advisers: Acuvest Limited,
67 Merrion Square South,
Dublin 2

Investment Managers:	Mandate
Irish Life Investment Managers	<ul style="list-style-type: none"> • Equities • Alternative weighted passive equities • Bonds including Corporate Bonds • Cash
Ruffer LLP	<ul style="list-style-type: none"> • Alternative Assets / Global Tactical Asset Allocation
BNY Mellon (Newton):	<ul style="list-style-type: none"> • Alternative Assets / Global Tactical Asset Allocation • Absolute Return Bond Fund
Henderson:	<ul style="list-style-type: none"> • European Senior loans
Ashmore	<ul style="list-style-type: none"> • Emerging Market Debt
Amundi	<ul style="list-style-type: none"> • Emerging Market Debt
Fidelity:	<ul style="list-style-type: none"> • European Property
AMP:	<ul style="list-style-type: none"> • Irish Infrastructure
Payden& Rygel:	<ul style="list-style-type: none"> • Absolute Return Bond Fund
Newton:	<ul style="list-style-type: none"> • Absolute Return Bond Fund

Funds which may invest in equities of companies listed on EU Regulated Markets

The Scheme invests in a fund managed by Ashmore Group plc. Ashmore's SRD II Engagement Policy can be accessed at <https://www.ashmoregroup.com/sites/default/files/uploaded-docs/SRDII-engagementpolicy20-2-19Final.pdf>, and Ashmore's most recent annual report, including information on how Ashmore has implemented its Engagement Policy over the period, can be accessed at https://ir.ashmoregroup.com/sites/ir/files/2021-09/Ashmore_FY2020-21_annual_report.pdf.

In terms of how the Trustees' investment with Ashmore incentivises Ashmore to align its investment strategy and decisions with the profile and duration of the Scheme's liabilities, the investment horizon of the Ashmore fund is medium to long term in nature, and therefore aligns with the profile and duration of the Scheme's liabilities. The Ashmore investment is, at the same time, only one element of a wider investment strategy.

In terms of how Ashmore makes assessments about the performance of investee companies and engages with those investee companies, details of this are set out in Ashmore's Engagement Policy as referred to above.

In terms of how the method and time horizon of the evaluation of Ashmore's performance is in line with the profile and duration of the Scheme liabilities, and takes absolute long term performance into account, the Trustees and their investment advisers take account of these issues when assessing Ashmore's performance. Performance is monitored on a monthly basis by the Trustees' Investment advisers, Acuvest., The Trustees expect investment manager appointments to be long-term in nature, and assess the performance over longer-term periods. Short term performance issues would not be expected to result in a manager termination, although other factors may necessitate change over relatively short timeframes.

Ashmore's remuneration is in line with the profile and duration of the Scheme liabilities because it is calculated as a percentage of the net asset value of the share classes in which the Trustees are invested, and therefore is aligned towards the manager following a longer term growth strategy. The Trustees are satisfied that this remuneration is appropriate given the profile and duration of the Scheme liabilities.

In terms of how the Trustee monitors portfolio turnover costs incurred by the asset manager and how it defines and monitors a target portfolio turnover or turnover range, this is by reference to the general investment terms and conditions and by reference to the overall costs and charges of the Fund.

The duration of the investment with Ashmore is indefinite, but is subject to regular performance reviews.

Appendix 6 - Statement of Risks

The Trustees' primary responsibility is to ensure that members receive the benefits to which they are entitled under the rules of the Fund. In order to provide for these future benefit payments, the Trustees invest the assets of the Fund in a range of investments, and agree with the Employer, on the advice of the Actuary, the rate of contribution to be made to the Fund to meet the balance of the cost of benefits. The Trustees are required to provide a statement of the risks associated with the Fund to Fund members.

In a defined benefit Fund the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs a member may not get their anticipated benefit entitlements.

The main types of risks which may lead to a shortfall and the steps being taken by the Trustees to minimise these risks are as follows: -

Risks	Steps being taken to minimise risk
The assets may not achieve the expected return	<p>This risk will be addressed by ongoing monitoring of investment policy and performance.</p> <p>Professional Investment Managers have been appointed to achieve an acceptable return.</p>
Some of the assets may be misappropriated	<p>The Trustees have appointed professional investment managers who have custodial agreements in place etc.</p> <p>The financial statements of the Fund are subject to independent audit.</p>
The value placed on the future liabilities may prove to be an underestimate	<p>The Trustees discuss with the Actuary the assumptions used for triennial valuations.</p> <p>The Trustees are required by law to obtain an annual statement concerning the ability of the Fund to meet the Minimum Funding Standard.</p>
The employer may not pay contributions as they fall due	<p>The Trustees monitor the receipt of contributions and pursue any shortfall. If this is not successful, the Trustees would report the matter to the Pensions Authority.</p>
The employer may decide to terminate its liability to contribute to the Fund	<p>If this event occurred, the Trustees would be required to wind up the Fund and provide benefits for members in accordance with the Rules and the Pensions Act, 1990. By means of the annual monitoring of the Minimum Funding Standard, the Trustees are working to ensure that sufficient assets will be available to meet the benefits payable. If the Fund were to have insufficient assets at the time of wind up, those already in receipt of pension would be a priority class, and their pensions would be secured before assets would be applied to other members. Other members, i.e. active members and deferred pensioners, are therefore more at risk of not receiving their full benefits on wind-up. Future benefit accrual would also cease in these circumstances.</p>
The assets may not be sufficient to pay benefits as and when they fall due	<p>By means of the triennial valuation the Trustees monitor the ongoing funding position and endeavour to ensure that sufficient assets will be available to meet the benefits payable as and when they fall due.</p>

In addition to the shortfall risks outlined overleaf, there is also the risk that the records relating to Fund members may not be correct.

**The Fund
administration records
may not be correct
and may fail to comply
with the Pensions Act
1990**

The Trustees have entered into a service level agreement with the administrator which sets out the administrator's responsibilities.

The Trustees receive regular administration reports from the administrator.

The financial statements are subject to review by the independent auditors.

The Pensions Authority has powers to pursue breaches of the Pensions Act 1990 and the Financial Services and Pensions Ombudsman may investigate any complaints of financial loss caused by maladministration.
